Filed for intro on 02/22/95 Senate Bill\_\_\_\_\_ By

House No. HB1326 By Cole

AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.

## BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-6-207(3), is amended by deleting the subsection in its entirety and by substituting instead the following:

(3) Permanent Partial Disability. For serious disfigurement to the head, face or hands, not resulting from the loss of a member of other injury specifically compensated, so altering the personal appearance of the injured employee as to materially affect such injured employee's employability in the employment in which such injured employee was injured or other employment for which such injured employee is then qualified, sixty-six and two-thirds percent (66 2/3%) of average weekly wages for such period as the court may determine, not exceeding two hundred (200) weeks. The benefit herein provided shall not be awarded in any case where the injured employee is compensated under any other provision of the workers' compensation law; and

SECTION 2. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

Section .

- (a) As a guide to the interpretation and application of this section, the policy and intent of this legislature is declared to be that every person who suffers a compensable injury with resulting permanent partial disability shall be provided with the opportunity to return to gainful employment as soon as possible with minimal dependence on compensation awards.
- (b) As used under the provisions of this act, the term "partial disability" means a condition whereby a worker, by reason of injury arising out of and in the course of employment, suffers a permanent impairment.
- (c) Permanent partial disability shall be determined by calculating the worker's impairment as modified by his age, education and physical capacity at the time of maximum medical improvement, pursuant to Sections 3 through 6 of this act provided that, regardless of the actual calculation of impairment as modified by the worker's age, education and physical capacity, the percentage of disability awarded shall not exceed ninety-nine percent (99%).
- (d) If, on or after the date of maximum medical improvement, an injured worker returns to work at a wage equal to or greater than eighty-five percent (85%) of the workers' pre-injury wage, the worker's permanent partial disability rating shall be equal to his impairment and shall not be subject to the modifications calculated pursuant to Sections 3 through 6 of this act.
- (e) In cases where the injury results in a permanent impairment and the treating physician specifically finds that a mental, psychological or emotional injury or disorder has resulted from the injury, the base value of the worker's permanent impairment rating shall be increased by one percent (1%) to the body as a whole for the mental injury. It is not intended that this award for the mental, physiological or emotional injury be for mere depression from being out of work,

- 2 - \*00206762\*

but the intent is that there be competent medical testimony regarding a specific and permanent mental, psychological or emotional disorder which resulted from the injury.

SECTION 3. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

Section .

- (a) For the purpose of determining the percentage of disability, impairment shall constitute the base value.
- (b) The appropriate values for the age modification, as determined in Section 4 of this act and the education modification, as determined by Section 5 of this act shall be added together. If this sum is less than zero (0), the sum shall be deemed to be zero (0) for the purposes of this calculation. This sum shall be multiplied by the appropriate value of the physical capacity modification, determined in Section 6 of this act.
- (c) The product calculated in subsection (b) of this section shall be added to the base value. This sum represents the percentage of partial disability to be awarded.

SECTION 4. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

Section .

- (a) The range of the age modification is zero (0) to four (4). The modification is based upon the worker's age at the time of the disability rating.
  - (b) For a worker who is:
  - (1) Forty-four (44) years old or younger, no points shall be awarded;

- 3 - \*00206762\*

- (2) Forty-five (45) to forty-nine (49) years old, one (1) point shall be awarded;
- (3) Fifty (50) to fifty-four (54) years old, two (2) points shall be awarded;
- (4) Fifty-five (55) to fifty-nine (59) years old, three (3) points shall be awarded; and
- (5) Sixty (60) years or older, four (4) points shall be awarded.

  SECTION 5. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding

the following new section to be appropriately designated:

Section \_\_\_\_.

- (a) The range of the education modification is zero (0) to seven (7). The modification shall be based upon the worker's formal education, skills and training at the time of the disability rating:
- (b) A worker shall be awarded points based on the formal education he has received. A worker who:
  - (1) Has completed no higher than the fifth grade shall be awarded two (2) points;
  - (2) Has completed the sixth grade but has completed no higher than the eleventh grade shall be awarded one (1) point;
  - (3) Has completed the twelfth grade or has obtained a GED certificate but has not completed a college degree shall be awarded zero(0) points; and

Has completed a college degree or more shall receive minus one (1) point.

(c) A worker shall be awarded points based upon his skills. Skills shall be measured by reviewing the jobs he has successfully performed during

- 4 - \*00206762\*

the ten (10) years preceding the date of disability determination. For the purposes of this section, "successfully performed" means having remained on the job the length of time necessary to meet the specific vocational preparation (svp) time requirement for that job as established in the dictionary of occupational titles published by the United States department of labor. The appropriate award of points shall be based upon the highest svp level demonstrated by the worker in the performance of the jobs he has successfully performed in the ten (10) year period preceding the date of disability determination, as follows:

- (1) A worker with an svp of one (1) to two (2) shall be awarded four (4) points;
- (2) A worker with an svp of three (3) to four (4) shall be awarded three (3) points;
- (3) A worker with an svp of five (5) to six (6) shall be awarded two (2) points; and
- (4) A worker with an svp of seven (7) to nine (9) shall be awarded one (1) point;
- (d) A worker shall be awarded points based upon the training he has received. A worker who cannot competently perform a specific vocational pursuit shall be awarded one (1) point. A worker who can perform a specific vocational pursuit shall not receive any points.
- (e) The sum of the points awarded the worker in subsections (b), (c) and (d) of this section shall constitute the education modification.

	SECTION 6	3. T	Tennesse	ee Code	Annotat	ed, ¯	Γitle 50,	Chapter	6, i	s amen	ded by	/ ad	ding
the fo	llowing new s	ect	ion to be	approp	riately de	esigr	nated:						

Section	

- 5 - \*00206762\*

- (a) The range of the physical capacity modification is one (1) to eight(8).
- (b) The award of points to a worker shall be based upon the difference between the physical capacity necessary to perform the worker's usual and customary work and the worker's residual physical capacity. The award of points shall be based upon the following table:

## RESIDUAL PHYSICAL CAPACITY

			<u>S</u>	<u>L</u>	<u>M</u>	<u>H</u>
PRE-INJURY	S	1	1	1	1	
PHYSICAL CAPACITY	L	2	1	1	1	
(USUAL AND	М	4	2	1	1	
CUSTOMARY WORK)	Н	8	4	2	1	

- (c) For the purposes of this section:
- (1) "H" or "heavy" means the ability to lift over fifty (50) pounds occasionally or up to fifty (50) pounds frequently;
- (2) "M" or "medium" means the ability to lift up to fifty (50) pounds occasionally or up to twenty-five (25) pounds frequently;
- (3) "L" or "light" means the ability to lift up to twenty (20) pounds occasionally or up to ten (10) pounds frequently. Even though the weight lifted may be only a negligible amount, a job is in this category when it requires walking or standing to a significant degree or when it involves sitting most of the time with a degree of pushing and pulling of arm or leg controls or both; and
- (4) "S" or "sedentary" means the ability to lift up to ten (10) pounds occasionally or up to five (5) pounds frequently. Although a sedentary job is defined as one that involves sitting, a certain amount of

- 6 - \*00206762\*

walking and standing is often necessary in carrying out job duties. Jobs are sedentary if walking and standing are required only occasionally and other sedentary criteria are met.

(d) The determination of a worker's residual capacity shall be made by an authorized health care provider.

SECTION 7. Tennessee Code Annotated, Section 50-6-225, is amended by deleting the section in its entirety and by substituting instead the following:

Section 50-6-225.

- (a) A party who has exhausted administrative remedies under this workers' compensation law and is aggrieved by a final decision of the division appeals panel may submit the entire matter for determination to the chancery court in which the accident occurred.
- (b) The party invoking the power of the court shall file a petition setting out the facts on which the claim is based under the workers' compensation law. Judicial review of a final decision of a division appeals panel shall be conducted as provided by this section.

(c)

- (1) The party filing the petition may file the same as a petition in the chancery court of the county in which petitioner resides or in which the alleged accident happens, in which event summons shall be issued by the clerk of the court in which the proceeding is instituted.
- (2) In any case before a judge or the chancery court, the findings of such court shall be based on competent evidence, and any compensation payment provided under this chapter shall be only for such injuries as are proved by competent evidence.

- 7 - \*00206762\*

- (3) A trial under this section shall be limited to issues decided by the division appeals panel and on which judicial review is sought. The pleadings must specifically set forth the determinations of the appeals panel by which the party is aggrieved.
- (4) The findings of fact made by the division acting within its powers shall, in the absence of fraud, be conclusive. Upon such hearing, the court may confirm or set aside such order or award; and any judgment which may theretofore have been rendered thereon; but the same shall be set aside only upon the following grounds:
  - (A) that the division acted without or in excess of its powers;
    - (B) that the order or award was procured by fraud; or
  - (C) that the findings of fact by the division do not support the order or award.
- (5) Upon the trial of any such action, the court shall disregard any irregularity or error of the division unless it is made to affirmatively appear that the appellant was damaged thereby;
- (6) If the division's order or award depends on any fact found by the division, the court shall not substitute its judgment for that of the division as to the weight or credibility of the evidence on any finding of fact. The court may, however, set aside the division's order or award and remand the case to the division if the division's order or award depends on any material and controverted finding of fact that is not supported by credible and substantial evidence.

- 8 - \*00206762\*

(d) Whenever any matter is brought before any judge as provided herein, the judge may, if the judge so desires, visit the scene of the accident and examine the surroundings.

(3)

- (1) Any party to the proceedings in the chancery court may, if dissatisfied or aggrieved by the judgment or decree of that court, appeal to the court of civil appeals and then to the supreme court, where the cause shall be heard and determined as provided in the Tennessee rules of appellate procedure.
- (2) Review of findings of fact shall be on the grounds that the findings of fact were unsupported by substantial evidence in view of the entire record submitted or the findings of the fact were procured by fraud, coercion or other improper conduct of a party in interest.
- (3) The supreme court may, by order, refer workers' compensation cases to a panel known as the "special workers' compensation appeals panel". This panel shall consist of three (3) judges designated by the chief justice, at least two (2) of whom shall be members of the supreme court or retired judges.
- (4) Any case which the supreme court by order or rule refers to the special workers' compensation appeals panel shall be briefed and oral argument shall be heard pursuant to the Tennessee rules of appellate procedure as if the appeal were being heard by the entire supreme court.
- (5) The special workers' compensation appeals panel shall reduce to writing its findings and conclusions in all cases. The decision of

- 9 - \*00206762\*

the panel shall become the judgment of the supreme court thirty (30) days after it is issued unless:

- (A) Any member of the supreme court files with the clerk a written request within the thirty (30) days period that the case be heard by the entire supreme court, in which event a final judgment will not be entered until the supreme court, after due consideration of the case, enters final judgment; or
- (B) Any party to the appeal files a motion requesting review by the entire supreme court within fifteen (15) days after issuance of the decision by the panel, in which a final judgment will not be entered:
  - (i) until the motion is denied; or
  - (ii) if the motion is granted, until the supreme court enters final judgment after its consideration of the case.

For the purposes of this subsection, a decision of the panel shall be deemed to be issued on the day it is mailed to the parties, which date shall be noted on the decision by the clerk. The provisions of § 27-1-122 apply to all motions made pursuant to this subsection.

(6) If the entire supreme court, on its own motion or after granting the motion of a party, reviews an opinion of the special workers' compensation appeals panel, its review will be limited to the record and the briefs on file before the special workers' compensation appeals panel; provided, that the supreme court may, in its discretion, order the parties to further brief the issues or appear at oral argument.

- 10 - \*00206762\*

- (7) The provisions of subdivisions (e)(3) through (7) shall expire on September 1, 1998.
- (f) The trial of all cases under this chapter shall be expedited by:
- (1) Giving all such cases priority over all cases on the trial and appellate dockets; and
- (2) Allowing any case on appeal in the supreme court to be on motion of either party transferred to the division where the supreme court is then or will next be in session.

(g)

- (1) If the judgment or decree of a court is appealed pursuant to subsection (e), interest on the portion of the judgment or decree that is due and payable shall be computed from the date that the judgment or decree is entered at an annual rate of interest five (5) percentage points above the average prime loan rate for the most recent week for which such an average rate has been published by the board of governors of the federal reserve system on the total judgment awarded by the supreme court.
- (2) Total judgment awarded is computed by the total number of weeks multiplied by benefit rate without any reduction.
- (h) When a reviewing court determines pursuant to motion or sua sponte that the appeal of an employer or insurer is frivolous, or taken for purposes of delay, a penalty may be assessed by such court, without remand, against the appellant for a liquidated amount.
- (i) When a reviewing court determines pursuant to motion or sua sponte that the appeal of an employee is frivolous, a penalty may be assessed by such court, without remand, against the appellant for a liquidated amount.

- 11 - \*00206762\*

(j) If an employer wrongfully fails to pay an employee's claim for temporary total disability payments, the employer shall be liable, in the discretion of the court, to pay the employee, in addition to the amount due for temporary total disability payments, a sum not exceeding twenty-five percent (25%) of such temporary total disability claim; provided, that it is made to appear to the court that the refusal to pay such claim was not in good faith and that such failure to pay inflicted additional expense, loss or injury upon the employee and provided further, that such additional liability shall be measured by the additional expense thus entailed.

SECTION 8. Tennessee Code Annotated, Section 50-6-238, is amended by deleting the section in its entirety and by substituting instead the following:

Section 50-6-238.

- (a) With respect to the determination of whether to initiate temporary total disability benefits or medical benefits, a workers' compensation specialist shall not be an advocate for either party, but shall decide such issues solely on the basis of the information available to such specialist without favor or presumption for or against either party. If, in light of available information, a workers' compensation specialist determines that it is appropriate to commence the payment of temporary total disability benefits and/or medical benefits to an employee, then a workers' compensation specialist may order the initiation of such benefits by an employer or the employer's workers' compensation insurer. The specialist shall order, on a form prescribed by the commissioner of labor, that such compensation be paid.
- (b) If a specialist has ordered the payment of benefits pursuant to this section, and a court finds that the injury was noncompensable, then an employer or the employer's workers' compensation insurer is entitled to a refund of all

- 12 **-** \*00206762\*

amounts paid from the second injury fund established by § 50-6-208, within thirty (30) days of submission of appropriate evidence of such finding to the department of labor. If the refund is not made within thirty (30) days, then the employer is entitled to interest at the rate of ten percent (10%) per annum from the date the refund became overdue.

(c) In addition to any other penalty provided by law, if an insurer or self-insured employer fails to comply with a lawful order issued by a specialist, then the commissioner of labor shall advise the commissioner of commerce and insurance of such failure to comply. The commissioner may consider any failure to comply a violation of title 56, chapter 8, and subjects the insurer or self-insured employer to the penalty provisions of § 56-8-109.

## SECTION 9.

- (a) Tennessee Code Annotated, Section 50-6-239, is amended in subsection(a) by deleting the words "court may" and by substituting instead the words "division shall".
- (b) Tennessee Code Annotated, Section 50-6-239, is further amended by deleting subsection (b) in its entirety and by substituting instead the following:
  - (b) Immediately following a benefit review conference, either party may move to a contested case hearing. The division by rule shall adopt guidelines relating to claims that do not require a benefit review conference and may proceed directly to a contested case hearing. Except as otherwise provided by the division rule, unless a benefit review conference is conducted, the parties are not entitled to a contested case hearing. Any party to a contested case hearing shall be permitted to use representation by a paralegal.

## SECTION 10.

- 13 - \*00206762\*

- (a) Tennessee Code Annotated, Section 50-6-240, is amended in subsection(a) by deleting the language "court in accordance with Section 50-6-206" and by substituting instead the word "division".
- (b) Tennessee Code Annotated, Section 50-6-240, is further amended in subsection (c) by deleting the language "commissioner and court" and by substituting instead the language "division".

SECTION 11. Tennessee Code Annotated, Section 50-6-241, is amended by deleting the section in its entirety and by substituting instead the following:

- (a) For injuries arising on or after August 1, 1995, in cases where an injured employee is eligible to receive any permanent partial disability benefits, pursuant to § 50-6-207(3)(A)(i) and (F), and an employer returns the employee to employment at a wage equal to or greater than eighty-five percent (85%) the wage the employee was receiving at the time of injury, the maximum permanent partial disability award that the employee may receive is the medical impairment rating determined pursuant to the provisions of the American Medical Association Guides to the Evaluation of Permanent Impairment (American Medical Association), the Manual for Orthopedic Surgeons in Evaluating Permanent Physical Impairment (American Academy of Orthopedic Surgeons).
- (b) In accordance with this section, the courts may reconsider upon the filing of a new cause of action the issue of industrial disability. Such reconsideration shall modify the original impairment rating as provided for in Sections 3 through 6 of this act. Such reconsideration may be made in appropriate cases where the employee is no longer employed by the pre-injury employer and makes application within one (1) year of the employee's loss of employment, if such loss of employment is within fifty-two (52) weeks of the day the employee returned to work. In enlarging a previous award, the court must give the employer credit for prior benefits paid to the employee in permanent

- 14 -

\*00206762\*

partial disability benefits, and any new award remains subject to the maximum established in this chapter. For purposes of this subsection, if the employer in good faith makes an offer of employment which is refused by the employee without reasonable cause, the employee is considered to have returned to work with the earnings the employee would have received had it not been for the refusal.

SECTION 12. Tennessee Code Annotated, Section 50-6-242, is amended by deleting the section in its entirety.

SECTION 13. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

Section \_\_\_\_.

- (a) A party to a claim for which a benefit review conference is held or a party eligible to proceed directly to a contested case hearing is entitled to a contested case hearing. The issues resolved at the benefit review conference and issues not raised at the benefit review conference may not be considered except by consent of the parties or unless the division determines that good cause existed for not raising the issue at the earlier proceedings.
- (b) The division shall schedule a contested case hearing to be held within fifty (50) days of the benefit review conference if the disputed issues are not resolved at the benefit review conference.
- (c) A written request by a party for a continuance of the contested case hearing to another date must be directed to the division. The division may grant a continuance only if the division determines that there is good cause for the continuance.

SECTION 14. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

ection	

- (a) Except as provided in subsection (f) of this section, discovery shall be limited to:
  - (1) depositions on written questions to any health care provider;
  - (2) depositions of other witnesses as permitted by the hearing officer for good cause shown; and
    - (3) interrogatories as prescribed by the division.
- (b) The division shall by rule prescribe standard form sets of interrogatories to elicit information from claimants and insurance carriers. These interrogatories shall be answered by each party and served on the opposing party within a time to be prescribed by division rule, unless the parties agree otherwise.
- (c) Such discovery shall not seek information which may readily be derived from the documentary evidence described in subsection (d) of this section, and the answers need not duplicate such information.
- (d) Within a time to be prescribed by the division rule, the parties shall exchange:
  - (1) all medical reports and reports of expert witnesses who will be called to testify at the hearing;
    - (2) all medical records;
    - (3) any witness statements;
  - (4) the identity and location of any witness known to the parties to have knowledge of relevant facts; and
  - (5) all photographs or other documents which a party intends to offer into evidence at the hearing.

- 16 - \*00206762\*

- (e) A party who fails to disclose information known to that party or documents which are in existence and in the possession, custody or control of that party at the time when disclosure is required by this section may not introduce such evidence at any subsequent proceeding before the division or in court on the claim unless good cause is shown for not having disclosed such information or documents under this section.
- (f) For good cause shown, a party may obtain permission from the hearing officer to conduct additional discovery as necessary.

SECTION 15. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

Section	

- (a) At the contested case hearing, the hearing officer shall:
  - (1) swear witnesses;
  - (2) receive testimony;
  - (3) allow examination and cross-examination of witnesses;
  - (4) accept documents and other tangible evidence; and
  - (5) allow the presentation of evidence by affidavit.
- (b) The hearing officer shall ensure the preservation of the rights and the full development of facts required for the determination to be made. The hearing officer may permit the use of summary procedures, if appropriate, including witness statements, summaries and similar measures to expedite the proceedings.
- (c) The proceedings of the contested case hearing shall be electronically recorded. A party may request a transcript of the proceeding and shall pay the reasonable cost of the transcription.

- 17 - \*00206762\*

- (d) A party may request that the proceedings of the contested case hearing be recorded by a court reporter. The party making the request shall bear the cost.
- (e) The hearing officer is the sole judge of the relevance and materiality of the evidence offered and of the weight and credibility to be given to the evidence, and conformity to legal rules of evidence is not necessary; however, any written stipulations and agreements filed in the record or oral stipulations and agreements preserved in the record made between the parties shall be final and binding. The hearing officer may accept written statements signed by a witness and shall accept all written reports signed by a health care provider.
- (f) All parties are required to attend the contested case hearing. A party who does not attend a contested case hearing without good cause as determined by the hearing officer commits an administrative violation with a maximum fine of one thousand dollars (\$1,000).
  - (g) The hearing officer shall issue a written decision that includes:
    - (1) findings of fact and conclusions of law;
    - (2) a determination of whether benefits are due; and
    - (3) an award of benefits due.

On a form to be prescribed and promulgated by the division, the hearing officer shall issue a separate written decision with respect to attorney's fees and any matter relating to such fees, and no part of this decision with respect to attorney's fees or the form shall be made known to a jury in any judicial review of an award, including an appeal. The division shall by rule prescribe the times within which the hearing officer shall file the decisions with the division. The division shall send a copy of the decision to each party.

- 18 - \*00206762\*

- (h) The decision of the hearing officer regarding benefits is final in the absence of a timely appeal by a party and is binding during the pendency of an appeal to the appeals panel.
- (i) Except in regard to procedural matters, a party and a hearing officer may not communicate outside the contested case hearing unless the communication is in writing with copies provided to all parties.

SECTION 16. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

Section \_\_\_\_.

- (a) A party who desires to appeal the decision of the hearing officer shall file a written appeal with the appeals panel not later than the fifteenth (15th) day after the date on which the decision of the hearing officer is received from the division and shall on the same date serve a copy of the request for review on the other party. The respondent party shall file a written response with the appeals panel not later than the fifteenth (15th) day after the date on which the request for appeal is served and shall on the same date serve a copy of the response on the appellant party.
- (b) A request for appeal or a response must clearly and concisely rebut or support the decision of the hearing officer on each issue on which review is sought.

SECTION 17. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

Section \_\_\_\_.

- (a) The division appeals panel shall consider:
  - (1) the record developed at the contested case hearing; and

- 19 - \*00206762\*

- (2) the written request for review and response filed with the appeals panel.
- (b) The appeals panel may:
  - (1) affirm the decision of the hearing officer;
  - (2) reverse that decision and render a new decision; or
- (3) reverse that decision and remand no more than one (1) time to the hearing officer for further consideration and development of evidence. The hearing on remand shall be accelerated and the division shall adopt rules to give priority to the hearing over other proceedings.
- (c) The appeals panel shall issue its decision which shall determine each issue on which review was requested. The decision shall be in writing and issued not later than the thirtieth (30th) day after the date on which the written response to the request for appeal is filed, and the appeals panel shall file a copy of the decision with the division. A copy of the decision of the appeals panel shall be sent to each party not later than the seventh (7th) day after the decision is filed with the division. If the appeals panel does not issue its decision in accordance with this subsection, the decision of the hearing officer shall become final and shall constitute the final decision of the appeals panel.
- (d) The decision of the appeals panel regarding benefits is final in the absence of a timely appeal by a party for judicial review.
- (e) The decision of the appeals panel regarding benefits is binding during the pendency of an appeal. If the court of last resort in the case finally modifies or reverses an appeals panel decision awarding benefits, the insurer or self-insured employer who has paid benefits as required by this subsection may recover reimbursement of any benefit overpayment from the employee or second

- 20 - \*00206762\*

injury fund. The employee and second injury fund shall be jointly and severally liable for such overpayments.

SECTION 18. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

Section .

- (a) If an insurance carrier refuses or fails to comply with a final order or decision of the division, the claimant may bring suit in either the circuit, criminal or chancery court of the county in which the petitioner resides or in which the alleged accident happens to enforce the award as a final and binding order of the division.
- (b) In addition to a judgment enforcing the order, the claimant is entitled to twelve percent (12%) penalties on the amount of benefits recovered in the judgment and interest, with reasonable attorney's fees for the prosecution and collection of the claim.
- (c) A person who fails or refuses to comply with a division order or decision within twenty (20) days of the order or decision becoming final commits administrative violation with a maximum civil penalty of ten thousand dollars (\$10,000).

SECTION 19. Tennessee Code Annotated, Title 50, Chapter 6, is amended by adding the following new section to be appropriately designated:

Section \_\_\_\_.

(a) The division shall conduct benefit review conferences, contested case hearings, mediation and appeals within the agency related to workers' compensation claims. The director shall hire personnel as necessary to administer the workers' compensation law.

- 21 - \*00206762\*

(b) Workers' compensation specialists shall conduct benefit review conferences. The commission shall institute and maintain an education and training program for workers' compensation specialists who must be employees of the commission. The specialists shall be trained in the principles and procedures of dispute mediation, and the division is authorized and directed to consult or enter into contracts with the federal mediation and conciliation service or other appropriate organizations to accomplish this purpose.

SECTION 20. This act shall take effect July 1, 1995, the public welfare requiring it.

- 22 - \*00206762\*

- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.
- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.
- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.
- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.
- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.
- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.
- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.
- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.
- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.
- AN ACT to amend Tennessee Code Annotated, Title 50 and Title 56, relative to workers' compensation.

- 23 - \*00206762\*